

OFFICE OF THE GOVERNOR

BOB RILEY
GOVERNOR



STATE OF ALABAMA

ALABAMA DEPARTMENT OF ECONOMIC
AND COMMUNITY AFFAIRS

JOHN D. HARRISON

DIRECTOR

2003 JUL -8 P 1:52

RECEIVED
JUL 8 2003
ALABAMA DEPARTMENT OF
ECONOMIC AND COMMUNITY
AFFAIRS

June 20, 2003

Ms. Emily DeRocco
Assistant Secretary
Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue, N.W., Room S2307
Washington, D.C. 20210

Dear Ms. DeRocco:

Enclosed are three waiver requests, which are based on Workforce Investment Act Reauthorization bill H.R. 1261. These three waivers would give the State of Alabama and its local areas needed flexibility in regard to: the eligible training provider list, workforce investment board membership, and incumbent worker training. These waiver requests are submitted in accordance with the process described in Section 189(i)(4) of the Workforce Investment Act.

We are very proud of our commitment to support local flexibility whenever possible. We believe that approval of these waiver requests will have a positive impact on our ability to deliver workforce development services to the people of Alabama.

If you have any questions, please feel free to contact me at (334) 242-5591.

Sincerely,

A handwritten signature in black ink, appearing to read "John D. Harrison".

John D. Harrison
Director

JDH:rac

Enclosures

cc: Dr. Helen Parker

State of Alabama
Workforce Investment Act
Waiver Request

Workforce Investment Board Membership Requirements

The Alabama Department of Economic and Community Affairs (ADECA), as the State administrative entity for the Workforce Investment Act (WIA), is requesting a waiver of the requirements for appointment of workforce investment boards at the state and local levels as currently laid out in WIA. Approval of a waiver to use those requirements set by H.R. 1261 would provide much greater flexibility to the appointing authority and could result in smaller boards, which is a desirable goal if one wishes to have active and involved boards. Boards with over 50 members are unwieldy, lead to low participation rates, and are marked by having little meaningful discussion.

This waiver request adheres to the format identified in WIA Section 189(i)(4)(B) and WIA Final Regulations at 20 CFR Section 661.420(c).

1. Statutory Requirements to be Waived:

WIA contains requirements for state workforce investment board membership at section 111(b) and for local workforce investment board membership at section 117(b). These requirements result in large, unwieldy and, therefore, unsuccessful boards. If these parts of the Act were waived in favor of using the requirements of H.R. 1261, boards could be smaller and more workable. This would improve flexibility in the appointment of members of the state legislature, youth program experts, two-year college presidents, and community-based organization representatives among others. The Governor would not be a required member of the State board. These groups would still be represented, but the number of representatives would not be so large. For each member requirement reduced on the non-business side, a business sector representative is also reduced.

2. State or Local Statutory Barriers:

There are no existing state or local statutory or regulatory barriers to implementation of this waiver request.

3. Goals of the Waiver and Expected Programmatic Outcomes:

This waiver will allow State and local area appointing authorities greater flexibility in workforce investment board appointments. This will help to reduce the size of boards and will improve the effectiveness of boards. Alabama's experience with WIA boards is that one of the reasons private sector members do not attend meetings more frequently is because of the size of the boards.

**State of Alabama
Workforce Investment Act
Waiver Request
Workforce Investment Board Membership Requirements**

4. Description of the Individuals Impacted by the Waiver:

The impact of this waiver would be having smaller and more effective boards.

5. Description of the Process to Monitor Waiver Progress:

The process to monitor this waiver is already set up at the ADECA Workforce Development Division, which already has the responsibility to monitor local area boards and ensure their compliance with member requirements.

6. Opportunity for Local Boards to Comment on the Waiver Request:

This waiver request will be announced in a public notice in newspapers and posted on the ADECA web site at <http://209.192.62.174/>. A copy of the waiver request will be sent directly to local area boards.

7. Public Comment on the Waiver Request:

As noted in item six above, we will publicly announce the waiver request and post it at <http://209.192.62.174/>, which is ADECA's web site.

**State of Alabama
Workforce Investment Act
Waiver Request**

Eligible Training Provider List

The Alabama Department of Economic and Community Affairs (ADECA), as the State administrative entity for the Workforce Investment Act (WIA), is requesting a waiver of restrictions on the establishment of the **Eligible Training Provider List (ETPL)** required under WIA. The ETPL, a potentially great vehicle for providing information to customers about training providers, has not lived up to its potential. Making ETPL rules at the State level is much closer to the providers and will allow for regional issues to be taken into consideration. The increased flexibility would be most valuable.

This waiver request adheres to the format identified in WIA Section 189(i)(4)(B) and WIA Final Regulations at 20 CFR Section 661.420(c).

1. Statutory Requirements to be Waived:

WIA Section 122(d) requires the annual submission by training providers of program information on all individuals participating in an applicable training program. This has proven to be an overly burdensome requirement. If performance information were required only for WIA-funded program participants, the collection of information would be much less burdensome and the requirement would be much easier to comply with.

2. State or Local Statutory Barriers:

There are no existing state or local statutory or regulatory barriers to implementation of this waiver request.

3. Goals of the Waiver and Expected Programmatic Outcomes:

This waiver will make provision of consumer information less burdensome and will still provide information that is valuable to the consumer. Problems with this provision are widespread in WIA and are certainly present in Alabama. This waiver would allow us to provide helpful information to potential trainees without being overly burdensome.

4. Description of the Individuals Impacted by the Waiver:

This waiver would impact those customers who are eligible for WIA training services in that it would provide them with information about performance results for WIA-funded individuals in a given training program. This information is very valuable to the consumer. Information about the entire group that has gone through

**State of Alabama
Workforce Investment Act
Waiver Request
Eligible Training Provider List**

training, regardless of funding, would also be valuable, but it has been extremely difficult to acquire. Confidentiality issues come into play when acquiring social security numbers of non-WIA participants. Two-year colleges do not seem to be willing or able to overcome this issue.

5. Description of the Process to Monitor Waiver Program:

The ADECA Workforce Development Division will monitor the progress of the waiver through maintenance of the ETPL system, of which we are the administrators of the Internet web site. We add to and delete from the list as dictated by policy, so we will be able to monitor the process fully at all times. The State-level policy on the ETPL will be changed to accommodate this change in policy.

6. Opportunity for Local Boards to Comment on the Waiver Request:

This waiver request was discussed at the May 29, 2003 State Workforce Investment Board Executive Committee meeting, at which local area representatives were invited guests. We will further transmit a copy of this waiver request to each local area and request their comments. Any comments will be forwarded to the Department of Labor within 30 days.

7. Public Comment on the Waiver Request:

In addition to discussing this waiver request at the May 29 State WIB Executive Committee meeting, a public notice will be published to ensure the opportunity for comments. The waiver request will also be posted on the ADECA web site at <http://209.192.62.174/>. Any comments received will be forwarded to the Department of Labor within 30 days.

**State of Alabama
Workforce Investment Act
Waiver Request**

Incumbent Worker Training at the Local Area Level

The Alabama Department of Economic and Community Affairs (ADECA), as the State administrative entity for the Workforce Investment Act (WIA), is requesting a waiver of restrictions on the use of local area WIA funds for **Incumbent Worker Training** at the local area level. This waiver would allow local workforce investment boards, at their discretion, to spend up to 10 percent of funds allocated to a local area under section 133(b) to carry out incumbent worker training programs. The approval of this waiver request will help to prevent layoffs and closures by assisting companies in becoming more competitive through provision of needed training. We will require a 50 percent match of WIA funds by the employer.

This waiver request adheres to the format identified in WIA Section 189(i)(4)(B) and WIA Final Regulations at 20 CFR Section 661.420(c).

1. Statutory Requirements to be Waived:

WIA requires progression through a series of core, intensive and training activities. The requirements for intensive services include, from WIA Section 134(d)(3)(A), being "...unemployed and are unable to obtain employment through core services...", "...been determined by a one-stop operator to be in need of more intensive services in order to obtain or retain employment that allows for self-sufficiency." WIA Section 134(d)(4)(A)(i) requires a person to have "...met eligibility requirements for intensive services..." and to be "...unable to obtain or retain employment through such services." These requirements effectively block the use of local funds for Incumbent Worker Training.

Alabama has run an Incumbent Worker Training Program using state-level 10 percent funds for approximately two years. The program has become more and more popular as word has gotten out, but the state-level funds are not sufficient to meet the demand by the employer community. If local areas were able to use their funds for Incumbent Worker Training, the ability of the program to help save jobs and to help existing employers to expand would be greatly enhanced.

Alabama proposes to implement the provisions in H.R. 1261 to allow up to 10 percent of funds allocated to a local area under Section 136(b) to be used to carry out Incumbent Worker Training programs. A State policy would require that a minimum of a 50 percent match would be required from each employer.

**State of Alabama
Workforce Investment Act
Waiver Request
Incumbent Worker Training Program**

This waiver would increase the role of local WIBs and the role of employers in workforce investment activities. It would also increase local flexibility to respond to the employer community. These principles are in keeping with the goals of WIA.

2. State or Local Statutory Barriers:

There are no existing state or local statutory or regulatory barriers to implementation of this waiver request.

3. Goals of the Waiver and Expected Programmatic Outcomes:

This waiver will provide local workforce investment boards the option to spend a portion of their WIA funding on Incumbent Worker Training. It is a program that is very popular with employers, because it is needed. With each succeeding year, competition in the workplace increases. Employers are required not only to work harder, but to work smarter, and this requires training. Incumbent Worker Training provides this training to employees of companies that need the assistance, thereby assisting in retaining jobs and even in creating jobs. In addition to these benefits, Incumbent Worker Training is spreading word about WIA in a very positive way. Employers have been very pleased with State-level training projects. This waiver will help to get information about WIA spread among the employer community.

4. Description of the Individuals Impacted by the Waiver:

The potential impact of this waiver is on employers and on employees in businesses that are at risk of closing or having layoffs without the Incumbent Worker Training. This activity has the potential to avoid some layoffs and closings. It further has the potential to expand employment. The training provided to individuals makes the person a more valuable employee to both his current employer and to other employers as well.

5. Description of the Process to Monitor Waiver Progress:

The ADECA Workforce Development Division will monitor the progress of the waiver by checking with local areas on Incumbent Worker Training programs in existence and checking on results in the statewide management information system. As previously stated, a State policy will be issued to define requirements for the Incumbent Worker Training program to include the requirement for a 50 percent match by the employer.

6. Opportunity for Local Boards to Comment on the Waiver Request:

This waiver request was discussed at the May 29, 2003 State Workforce Investment Board Executive Committee Meeting at which the local boards were invited guests. This is a program for which local areas have been asking since the inception of WIA.

**State of Alabama
Workforce Investment Act
Waiver Request
Incumbent Worker Training Program**

7. Public Comment on the Waiver Request:

In addition to discussing this waiver request at the May 29 State WIB Executive Committee meeting, a public notice will be published to ensure the opportunity for comments. The Waiver Request will also be posted on the ADECA web site at <http://209.192.62.174/>. Any comments received will be forwarded to the Department of Labor within 30 days.

Public Notice

The Alabama Department of Economic and Community Affairs (ADECA) Workforce Development Division has submitted three waiver requests to the U.S. Department of Labor to ask for more flexibility than currently allowed by the Workforce Investment Act. All three requests ask that provisions contained in H.R. 1261, a bill to reauthorize the Workforce Investment Act, be put into effect now rather than later. This would allow more flexibility at the State and local workforce investment area in regard to: workforce investment board membership; incumbent worker training at the local workforce investment area level; and the eligible training provider list. To view these waiver requests in their entirety, go to ADECA's web site at <http://209.192.62.174/>, then select the Workforce Development Division. The full text of these waiver requests will be available for your viewing. Comments should be submitted to:

ADECA Workforce Development Division
401 Adams Avenue, P.O. Box 5690
Montgomery, AL 36103-5690